



R-24-138
Meeting 24-29
November 13, 2024

AGENDA ITEM 8

AGENDA ITEM

Purchase of the Estrada Property located in unincorporated Santa Clara County as an addition to Sierra Azul Open Space Preserve (Assessor's Parcel Numbers 562-04-006, and 562-04-015)

GENERAL MANAGER'S RECOMMENDATIONS

1. Determine that the recommended actions are categorically exempt under the California Environmental Quality Act (CEQA), as set out in this report.
2. Adopt a Resolution authorizing the purchase of the Estrada Property at a cost of \$950,000 with corresponding authorization for a Fiscal Year 2024-25 budget adjustment of the same amount, and an additional adjustment of \$10,000 for miscellaneous costs related to this transaction, for a total budget adjustment of \$960,000.
3. Authorize the General Manager to initiate plans for demolition and clean-up of the property and to bring a demolition/clean-up contract award to the Board of Directors as a future item.
4. Adopt a Preliminary Use and Management Plan for the Property, as set out in this report.
5. Withhold dedication of the Estrada Property as public open space at this time.

SUMMARY

The General Manager recommends purchasing the 40-acre Estrada Property (Property) at a purchase price of \$950,000 (\$23,750 per acre) as an addition to Sierra Azul Open Space Preserve (Preserve) and authorizing an additional adjustment of \$10,000 for miscellaneous costs related to this transaction. The following report provides a description of the Property, a Preliminary Use and Management Plan, findings of the environmental review, the purchase terms and conditions, and financial considerations. A budget adjustment increase of \$960,000 to the Fiscal Year 2024-25 (FY25) budget would be required to proceed with the acquisition.

DISCUSSION

The Midpeninsula Regional Open Space District (District) proposes to purchase the 40-acre Property consisting of one legal parcel that is zoned Hillside (HS). The Property is located approximately 1 mile south of Mount Umunhum and is surrounded by the 19,478.67-acre Sierra Azul Open Space Preserve on three sides. Purchase of the Property would fill a critical inholding to permanently protect forested lands and wildlife habitat within the Upper Los Gatos Creek and Upper Guadalupe Creek watersheds and further the connection of protected open space and wildlife corridors. This purchase advances Measure AA Portfolio #25: *Sierra Azul* —

Loma Prieta Area Public Access, Regional Trails and Habitat Projects as the District secures additional property rights needed for future trail access between the Mount Umunhum area and Loma Prieta area.

Property Description and Regional Context (see Attachment 2 – Location Map)

Situated along the ridge directly south of Mount Umunhum, the square-shaped Property is highly visible from District lands and is a natural addition to the Preserve, connecting Mount Umunhum and Loma Prieta. The Property rises to approximately 3,400 feet in elevation and drains into the Upper Los Gatos Creek and Upper Guadalupe Creek watersheds. The Property's elevation provides panoramic views of the Santa Clara Valley and Monterey Bay, as well as Mount Umunhum, Loma Prieta, and Mount Hamilton. The Property may be accessed via the unpaved Loma Prieta Road, near its connection to Mount Umunhum Road.

Land Use and Improvements

The Property contains a mobile home and several minor accessory structures, all in poor condition. The Property is littered with debris, including abandoned vehicles, trailers, and building materials, which will require clean up. Site improvements include the unpaved Loma Prieta Road and a dirt roadway system. The Property contains no public utilities but does contain a non-functioning well. The remainder of the property is dense chaparral.

Habitat and Natural Resources Value

The Property contains a mixture of chaparral, pine woodland, mature oak, and mixed evergreen forest plant communities, as well as native vegetation types such as the fire-dependent mixed manzanita and canyon live oak. The Property is within the Santa Clara County Wildfire Influence Zone, which contains wildfire susceptible vegetation up to 1.5 miles from a Wildland Urban Interface or Wildland Urban Intermix. There have been multiple observations within 200 feet of the Property of Purple Martins and Santa Cruz Kangaroo Rats, the latter a critically imperiled subspecies. In addition, the Property provides habitat for several large animal species, including deer, coyotes, foxes, bobcats, and mountain lions, and a wide variety of small mammals, including woodrats, birds, and other species. The Property is part of a landscape-level terrestrial linkage between the Santa Cruz Mountains and the Diablo and Gabilan ranges. These linkages are critical for maintaining genetic diversity, facilitating migration and dispersion, and supporting large home ranges.

Water Resources and Rights

The Property falls within the Guadalupe River parent watershed and more specifically within the Upper Los Gatos Creek watershed feeding into Lake Elsmar to the west and the Alamos Creek watershed feeding into Almaden Reservoir to the east. The property contains a non-functioning well.

USE AND MANAGEMENT

Planning Considerations

The Property is located in unincorporated Santa Clara County (County) and outside the urban service area or sphere of influence of any incorporated municipality. The Property has a County General Plan designation of Hillside. The zoning designation is Hillside (HS). In 1999, the Santa Clara County Planning Department found that all open space acquisitions by the District in unincorporated areas that are classified as a Resource Conservation Area in the County's General Plan comply with the General Plan. Per the County's Zoning Ordinance Section 1.20.070, low-

intensity outdoor recreation and open space preserves are allowable uses in HS zoning designation and shall be exempt from the Zoning Ordinance.

If purchased, the Property will be incorporated into Sierra Azul Open Space Preserve. Subsequent planning for the Property would be coordinated with planning efforts for the Preserve and include consultation with appropriate agencies and organizations.

Preliminary Use and Management Plan

The Preliminary Use and Management Plan (PUMP) establishes a status quo land management approach in the interim between the purchase and the completion of a subsequent long-term plan. The PUMP would take effect at the close of escrow and remain effective until the PUMP is amended or a Comprehensive Use and Management Plan or Preserve Plan is approved for Sierra Azul Open Space Preserve. The PUMP includes minor restoration and preservation of the Property in its natural condition, as described more fully below. If changes to land use or the physical environment were proposed in the future, the plan would be subject to further environmental review and public input.

Name:	Name the Property as an addition to Sierra Azul Open Space Preserve.
Dedication:	Indicate the District's intention to withhold dedication of the subject Property as open space at this time.
Public Access:	Designate the Property as closed to public use at this time.
Signs and Site Security:	Install preserve boundary signs as needed.
Fences and Gates:	Install and maintain fences and gates as needed.
Roads and Trails:	Continue to maintain Loma Prieta Road and other existing dirt roads in a serviceable condition in accordance with the adopted Resource Management Policies standards and regulatory permits to facilitate access to the site for subsequent demolition and clean-up.
Patrol:	Routinely patrol the Property.
Structures and Improvements:	Seek bids for demolition of structures, site clean-up and site restoration for future consideration by the Board.
Resource Management:	Conduct plant and animal management activities to protect natural resources and minor erosion and sediment control measures to protect water resources as needed, consistent with the adopted Resource Management Policies, Integrated Pest Management Program Guidance Manual, Open Space Maintenance and Restoration Program, and regulatory permits. Survey the Property for the presence of Santa Cruz Kangaroo rat and implement BMPs to protect habitat and food source plant species.

Water Resources and Water Rights:	Protect the watershed consistent with the adopted Resource Management Policies, Integrated Pest Management Program Guidance Manual, Best Management Practices and regulatory permits.
Wildfire Fuel Management:	Work to decommission the non-functioning well. Implement standard District-wide fuel management and defensible space practices consistent with the adopted Wildland Fire Resiliency Program and Environmental Impact Report.

CEQA COMPLIANCE

Project Description

The project consists of the purchase of the 40-acre Property as an addition to the District's Sierra Azul Open Space Preserve and concurrent adoption of a PUMP, including minor erosion control and sediment control measures that may be conducted if necessary to prevent erosion. Minor resource management activities may be conducted to control invasive plants. The land would be permanently preserved as open space and maintained in a natural condition.

CEQA Determination

The District concludes that this project will not have a significant effect on the environment. It is categorically exempt under the California Environmental Quality Act (CEQA) under Article 19, Sections 15301, 15316, 15325 and 15330 of the CEQA Guidelines as follows:

Section 15301 exempts the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, or topographical features, involving negligible or no expansion of use beyond the existing uses. The PUMP will maintain the Property as status quo with no expansion or changes to its existing uses. The PUMP includes minor erosion control work as necessary, wildland fuel management, and minor natural resource management activities, covered under the adopted Resource Management Policies, Integrated Pest Management Program Guidance Manual, Wildland Fire Resiliency Program, the mitigation measures adopted pursuant to Final Environmental Impact Reports of the cited plans and policies, and the Open Space Maintenance and Restoration Program and Mitigated Negative Declaration, and regulatory permits as applicable.

Section 15316 exempts the acquisition of land in order to create parks if the land is in a natural condition and the management plan proposes to keep the area in a natural condition. The PUMP specifies that the land will remain in a natural condition and will be designated as an addition to the District's Sierra Azul Open Space Preserve.

Section 15325 exempts transfers of ownership of interests in land in order to preserve open space. This acquisition will transfer fee ownership of the property to the District to be preserved as open space and incorporate it into the Sierra Azul Open Space Preserve.

Section 15330 exempts minor clean-up actions taken to prevent, minimize, stabilize, mitigate or eliminate the release or threat of release of a hazardous waste or substance associated with the former use of the site if removal actions cost \$1 million or less. The PUMP includes clean-up actions on the Property to minimize or eliminate the threat of release of hazardous waste.

TERMS AND CONDITIONS

The 40-acre Estrada Property is proposed for purchase at a sale price of \$950,000 (\$23,750 per acre) plus \$10,000 to cover other miscellaneous associated transaction costs. The Property would be purchased as-is on an all-cash basis. Escrow would close on or before December 6, 2024.

After purchase, the Property would require the demolition of the existing structures and a significant clean-up. The initial estimates to complete the demolition and clean-up are approximately \$364,000.

FISCAL IMPACT

Land acquisitions brought before the Board of Directors (Board) for approval include a budget adjustment increase to the adopted budget. If approved, an increase of \$950,000 for the acquisition and \$10,000 to cover other miscellaneous associated costs related to this transaction are required. If approved, a total increase of \$960,000 to the FY25 budget is required.

Estrada Property Purchase Amount* (includes \$10,000 deposit)	\$950,000
Edwards Property Purchase Amount* (includes \$10,000 deposit) <i>Also on the November 13, 2024 board meeting agenda</i>	\$1,207,500
Total Land purchases approved to date for FY25	\$1,900,000
Total FY25 Land Purchases (if approved)	\$4,057,500

*Cost only includes purchase price

The following table outlines the *Measure AA Portfolio 25 Sierra Azul — Loma Prieta Area Public Access, Regional Trails and Habitat Projects* allocation, costs-to-date, projected future project expenditures and projected portfolio balance remaining.

MAA25 Sierra Azul — Loma Prieta Area Public Access, Regional Trails and Habitat Projects Portfolio Allocation:	\$7,986,000
Life-to-Date Spent (as of 10/23/24):	(\$2,398,668)
Encumbrances:	\$0
Estrada Property Acquisition*:	(\$950,000)
MAA25-006 Title Insurance, Escrow fees, and other miscellaneous project costs*:	(\$10,000)
Remaining FY25 Project Budgets:	(\$1,000,000)
Future MAA25 project costs (projected through FY28):	(\$5,881)
Total Portfolio Expenditures:	(\$4,364,549)
Portfolio Balance Remaining (Proposed):	\$3,621,451

*If budget adjustment approved

The following table outlines the Measure AA Portfolio 25 allocation, projected life of project expenditures and projected portfolio balance remaining.

MAA25 Sierra Azul — Loma Prieta Area Public Access, Regional Trails and Habitat Projects Portfolio Allocation:	\$7,986,000
Projected Project Expenditures (life of project):	
25-001 Burton Land Acquisition	(\$410,150)
25-002 Billingsley Property Acquisition and Site Cleanup	(\$1,936,220)
25-003 Burton Property Site Cleanup	(\$52,298)
25-004 Umunhum-to-the-Sea Trail	(\$5,881)
25-005 Graf-Scholer Property Acquisition	(\$1,000,000)
25-006 Estrada Property Acquisition*	(\$960,000)
Total Portfolio Expenditures:	(\$4,364,549)
Portfolio Balance Remaining (Proposed):	\$3,621,451

**If budget adjustment approved*

PRIOR BOARD AND COMMITTEE REVIEW

Due to the simple nature and timing of this potential purchase, this item was not presented to the Real Property Committee.

PUBLIC NOTICE

Property owners and occupants of land located adjacent to or surrounding the subject Property as well as the Sierra Azul interested parties list have been mailed or emailed a copy of the agenda for this meeting. Accordingly, all notice required by the Brown Act and District policy has been provided.

NEXT STEPS

Upon approval by the Board, staff would proceed with the close of escrow for the purchase of the Property by December 6, 2024, and take the next steps identified in the PUMP as contained in this report. The District's South Area Field Office would manage the property as an addition to the Sierra Azul Open Space Preserve.

Attachments:

1. Resolution Authorizing Acceptance of Purchase and Sale Agreement, Amending the Fiscal Year 2024-25 General Fund Capital Budget, Authorizing General Manager or Other Officer to Execute Certificate of Acceptance of Grant to District, and Authorizing General Manager to Execute any and all Other Documents Necessary or Appropriate to Closing of the Transaction (Sierra Azul Open Space Preserve - Lands of Estrada)
2. Estrada Property Location Map

Responsible Department Head:

Allen Ishibashi, Real Property Manager, Real Property Department

Prepared by/Contact Person:

Aaron Peth, Real Property Planner III, Real Property Department

Lupe Hernandez, Real Property Agent II, Real Property Department

Graphics prepared by:

Lilian Amaral, GIS Intern

RESOLUTION 24-__

RESOLUTION OF THE BOARD OF DIRECTORS OF MIDPENINSULA REGIONAL OPEN SPACE DISTRICT AUTHORIZING ACCEPTANCE OF THE PURCHASE AND SALE AGREEMENT, AMENDING THE FISCAL YEAR 2024-25 GENERAL FUND CAPITAL BUDGET, AUTHORIZING GENERAL MANAGER OR OTHER APPROPRIATE OFFICER TO EXECUTE CERTIFICATE OF ACCEPTANCE AND GRANT TO DISTRICT, AND AUTHORIZING GENERAL MANAGER TO EXECUTE ANY AND ALL OTHER DOCUMENTS NECESSARY OR APPROPRIATE TO CLOSING OF THE TRANSACTION (SIERRA AZUL OPEN SPACE PRESERVE - LANDS OF ESTRADA)

The Board of Directors of Midpeninsula Regional Open Space District does hereby resolve as follows:

SECTION ONE. The Board of Directors of the Midpeninsula Regional Open Space District (District) does hereby accept the offer contained in that certain Purchase and Sale Agreement between the Estate of William Richard Estrada II and the Midpeninsula Regional Open Space District, a copy of which purchase agreement is attached hereto and by reference made a part hereof, and authorizes the President of the Board of Directors, General Manager, or other appropriate officer to execute the Agreement and all related transactional documents on behalf of the District to acquire the real property described therein (“the Estrada Property”).

SECTION TWO. The Board authorizes the expenditure of \$950,000.00 covering the purchase of the Estrada Property, including a deposit of \$10,000.

SECTION THREE. The Board approves an amendment to the Budget and Action Plan for Fiscal Year 2024-25 consisting of an increase to the Measure AA Fund Capital budget in the amount of \$960,000.00. Except as herein modified, the FY 2024-25 Budget and Action Plan, Resolution No. 24-18 as amended, shall remain in full force and effect.

SECTION FOUR. The General Manager, President of the Board of Directors, or other appropriate officer is authorized to execute a Certificate of Acceptance and the Grant Deed on behalf of the District.

SECTION FIVE. The General Manager or the General Manager’s designee (Real Property Manager) is authorized to provide a notice of acceptance to the seller, execute all escrow documents and to extend escrow if necessary.

SECTION SIX. The General Manager or the General Manager’s designee is authorized to expend up to \$10,000.00 to cover the cost of title insurance, escrow fees, and miscellaneous costs related to this transaction.

SECTION SEVEN. The General Manager and General Counsel are further authorized to approve any technical revisions to the attached Agreement and documents, which do not involve any material change to any term of the Agreement or documents, which are necessary or appropriate to the closing or implementation of this transaction.

* * * * *

PASSED AND ADOPTED by the Board of Directors of the Midpeninsula Regional Open Space District on _____, 2024, at a regular meeting thereof, by the following vote:

- AYES:**
- NOES:**
- ABSTAIN:**
- ABSENT:**

ATTEST:

APPROVED:

Curt Riffle, Secretary
Board of Directors

Margaret MacNiven, President
Board of Directors

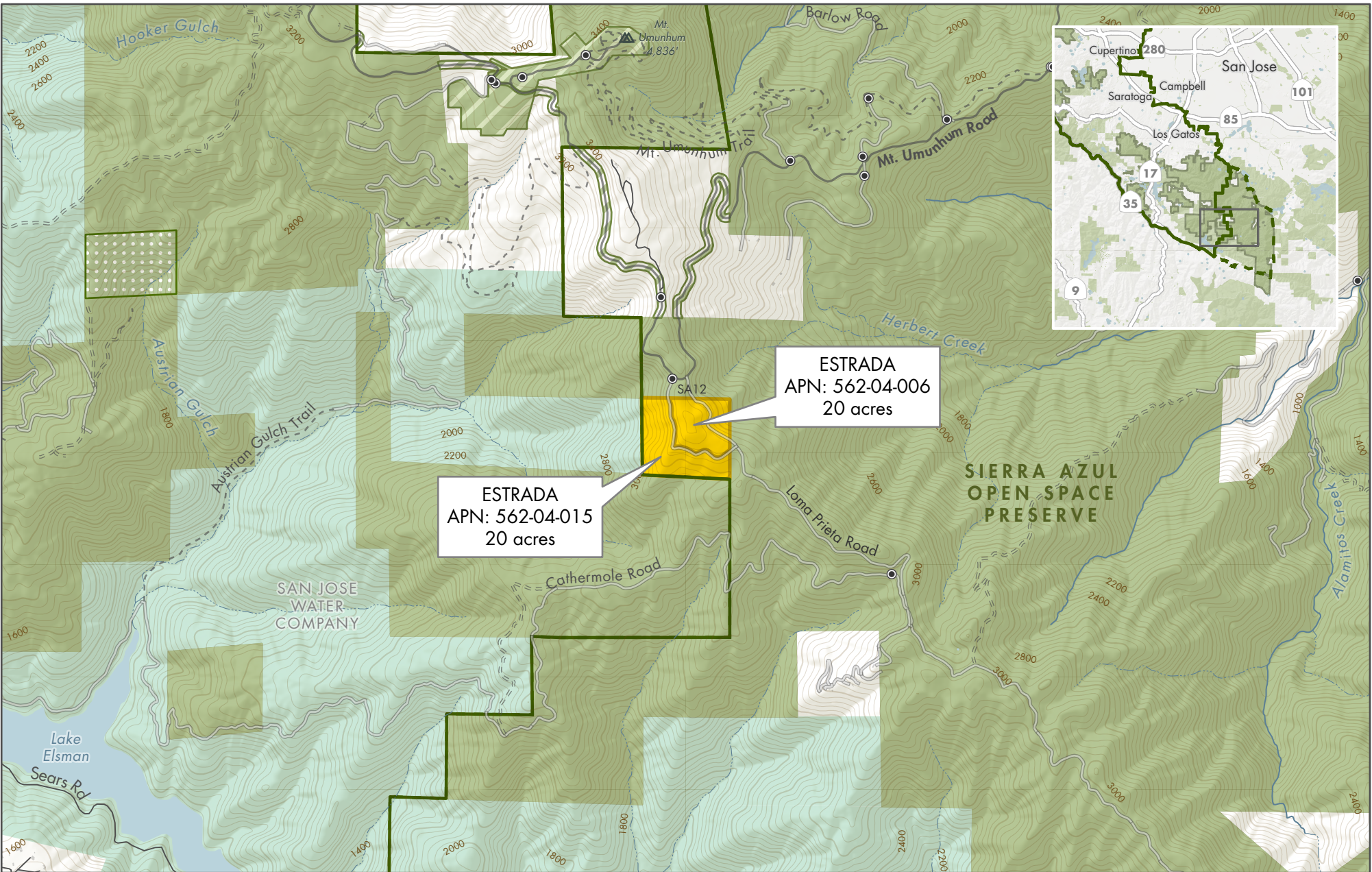
APPROVED AS TO FORM:

Hilary Stevenson, General Counsel

I, the District Clerk of the Midpeninsula Regional Open Space District, hereby certify that the above is a true and correct copy of a resolution duly adopted by the Board of Directors of the Midpeninsula Regional Open Space District by the above vote at a meeting thereof duly held and called on the above day.

Maria Soria, District Clerk

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Created By: lamarr



ESTRADA
APN: 562-04-015
20 acres

ESTRADA
APN: 562-04-006
20 acres

Estrada Property

- Estrada property
- Midpen preserve
- Other protected lands
- Partial MROSD ownership
- Private property
- Watershed land
- Midpen Boundary
- Shpere of influence
- Paved road
- Unpaved all-season road
- Unpaved seasonal road
- Trail

Midpeninsula Regional
Open Space District
(Midpen)
7/29/2024



While the District strives to use the best available digital data, these data do not represent a legal survey and are merely a graphic illustration of geographic features.